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FM AMEMBASSY SANTO DOMINGO
TO RUEHC/SECSTATE WASHDC 8816
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE
RUEHCV/AMEMBASSY CARACAS 0793
RHEBAAA/DEPT OF ENERGY WASHDC

C O N F I D E N T I A L SANTO DOMINGO 001752

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E.O. 12958: DECL: 07/21/2017

TAGS: ECON ENRG ETRD OTRA PREL VE DR

SUBJECT: DOMINICAN REPUBLIC TO OFFER TOURISM EXCURSIONS FOR VENEZUELAN OIL

Classified By: Ellen m. Dunlap, Ecopol, reasons 1.4 (b) and (d)

¶1. (C) The Minister of Finance, Mr. Vicente Bengoa, told embassy officers on July 19 that the Dominican Republic intends to engage in barter trade, by offering goods and services in exchange for oil debt, in a meeting with the Venezuelan government next month. In an meeting with EXIM Bank officials concerning a separate subject (i.e. an outstanding debt), and while describing the state of the Dominican economy, Minister Bengoa said that the Dominican Republic, which signed a 25-year deal with Petrocaribe in 2005 to receive oil from Venezuela at the extremely favorable financing terms of just one percent annual interest, intends to offer Venezuela subsidized tourist packages, black beans and other unspecified commodities in lieu of payment on the outstanding Petrocaribe debts. Minister Bengoa said he viewed the deal as important to avoid potential liquidity problems for the Dominican Republic and said such a deal could also alleviate the off-season hotel occupancy rate. No further details were provided.

BULLEN